



March 22, 2005

Testimony of Cynthia W. Swain
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Board of Commissioners of the Port of New Orleans

Before the
Committee on Homeland Security

Good morning. I am Cynthia Swain, the Director of Port Safety and Security for the Board of Commissioners of the Port of New Orleans. Thank you for the invitation to testify at this hearing, "Protecting Our Commerce: Enhancing the Security of America's Ports and Inland Waterways." It is my hope this committee is both resolved and empowered to initiate the necessary actions to address the many issues that are presented here today.

Approximately one year ago the Port's President and CEO, Gary LaGrange, gave testimony before the Senate Committee of Commerce, Science and Transportation. At that hearing he reported that the Port had made significant infrastructure, operations and procedural enhancements in an effort to address the potential for terrorist activity and comply with the impending deadline (July 1, 2004) for Maritime Transportation Security Act (MTSA) regulatory compliance. A couple of the then "ongoing" projects referenced have since been completed, including:

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| • TSA II Cruise Terminal Lighting & Fencing | \$600,000 |
| • TSA II Signs, barricades, barriers | \$50,000 |

The TSA I Upriver Gate Access project and the DHS Upriver Perimeter Enhancement project are both scheduled for completion by September 2005. Both of these projects experienced delays, in part due to the accommodation of a U. S. Customs and Border Protection Radiation Portal Monitor project. This project was slated for installation at the Port of New Orleans Felicity Street exit. After more than a year of planning, coordination, and actual site preparation on the part of the project consultants and port security and engineering staff, funding was discontinued and the project was suddenly aborted. The TSA I Gate Access project, even when completed, will not be used at 100 percent capacity. The project's scope of work included the use of port

identification credentials or the Transportation Worker Identification Card (TWIC) which was projected to be in use fully at ports across the nation by 2004. The Port of New Orleans was denied funding for a port credential system in the last funding round because it was "in line to receive a TWIC system." There are currently 34 prototype TWIC test sites throughout the country. The Port of New Orleans, however, is apparently in the wrong line, because it is no closer to getting a TWIC system today than it was then. What is the message here?

The COPS Hiring Grant provides funding for three (3) of the six (6) police officer positions originally requested. All three positions have been filled. A portion of their salaries and benefits will be paid by the grant for three years. The Harbor Police Department currently has one captain, one corporal and three officers permanently assigned to Homeland Security positions.

The Port of New Orleans has received \$8 million in federal grant awards, and like all port authorities who have been fortunate enough to receive awards, we are grateful. However, the Port of New Orleans, like all other U. S. Port authorities, finds that the funding amounts are not sufficient to address the completion of remaining enhancements to be made. In most, if not all cases, the funding award does not pay for 100 percent of the finished projects. Ports must still bear the cost of mandatory "matching" amounts, internal labor and management cost and project overruns not covered by the award. The financial burden of these costs cannot be ignored. Last year the Port of New Orleans paid more than \$1.5 million to supplement and initiate security projects. This was over and above the Port Safety and Security Division's operating budget of \$5.5 million and a capital equipment budget of \$275,000.

The Port applied for more than \$10 million in security funding in TSA rounds III and IV. No awards were received from either of these last two initiatives. Of the \$46 million in grant awards from TSA -IV, more than \$4.5 million was awarded to private entities. It is extremely disconcerting and counterproductive for the government to supplement private industry from the same funding source the public ports depend upon prior to ensuring that each and every U.S. port authority has received adequate funding. This practice diminishes the importance of port security at every level and gives the appearance that ports have adequately addressed their vulnerabilities. Since TSA-IV, the Port has identified more than \$300,000 of additional fencing requirements at its terminals, again to meet with MTSA regulations. The Vulnerability Assessment prepared in 2001 needs to be revised, and an annual security audit, another MTSA requirement needs to be commissioned. These projects are currently scheduled to be paid for with port operating and capital improvement funds. As a result, pending projects to improve commercial operations will need to be postponed or cancelled. This, of course, makes the security projects and requirements even more costly.

While it is true the port industry specifically, vessel operations, was not the target of or the instrumentality used in the recent terrorist attacks, the impact of terrorism on the port industry could conceivably be greater. The new "Fantasy" line cruise vessels are capable of carrying more than 3,000 passengers. The number of lives lost during an attack on a vessel or an act of bio-terrorism would be catastrophic. According to U. S. Coast Guard estimates, a strategically sunken cargo vessel, at or near the mouth of the Mississippi River would close the river for over a year. Such an event would have a global cataclysmic impact on every aspect of life as we know it today. Because the cruise industry, unlike the airline industry, is driven by leisure and discretionary travel, an atmosphere of fear created by an actual or threatened terrorist attack would devastate that burgeoning industry. The presence of the cruise industry at Port of New Orleans and ports worldwide reflects not only the millions of dollars already invested, but millions of anticipated revenues as well. Consequently, no port can afford to have its cruise business crippled or eliminated.

The American Association of Port Authorities (AAPA), therefore, expressed grave concern about the elimination of the Department of Homeland Security's Port Security Grant Program. Including infrastructure security and programmatic issues of port security among those of other transportation entities such as trains, trucks, and other means of private and public conveyance, will ensure a decrease in the funding and attention being sought by ports. A February 2005 report by the AAPA disclosed that the U. S. port industry is projected to double its current "two billion tons of cargo" throughput over the next 15 years. If ports are expected to remain competitive, the time to prepare is now. Ports should be using funds for capital improvements and growth initiatives and not be forced to expend limited funds on security enhancements at existing facilities.

The Port of New Orleans has long recognized the need and importance of safety and security at its facilities. It is one of the few U.S. ports that has its own sworn and dedicated Harbor Police Department. To further supplement its safety force, the Port of New Orleans commissioned the design and purchase of an emergency response vessel, the General Roy S. Kelley, a prototype firefighting vessel that also accommodates port protocol tours. This vessel is now being used to perform under wharf inspections and daily river patrols to maintain and monitor waterside restricted area locations when vessels are berthed at port facilities. This vessel was not designed to be used at the level of activity described, and the added duties are taking a toll on this ten-year-old vessel. Last year the Port spent more than \$50,000 on unbudgeted repair costs, and is preparing to spend more than \$80,000 in additional repairs this fiscal year - all without receiving any supplementary funds. This vessel is routinely dispatched to assist the U.S. Coast Guard with waterside emergencies because there are simply no other assets in the river that can respond in a timely manner. It takes the Coast Guard over one hour to get one

of its vessels in the river and approximately 30 minutes before a helicopter can respond. The Port has requested a patrol vessel(s) capable of withstanding the currents of the Mississippi River in every TSA round of funding. Every request has been denied. The General Kelley's crew and others like it should be recognized for the services they provide. Ports need funding assistance to purchase vessels, equipment and to defray heightened maintenance and operating costs due to increased use for security functions.

The Harbor Police Department's mission, while once narrowly focused on the maritime industry and port community, has always included assisting federal, state and local law enforcement agencies. That focus has been greatly expanded due to the trend toward greater interoperability between law enforcement agencies in many areas including: communications, weaponry, intelligence, and weapons of mass destruction (WMD) and bio-terrorism readiness. The technological equipment, supplies, weapons, training and additional staffing all create funding concerns that must be addressed. Training, drills, and exercises are costly to conduct. MTSA regulations require that one (1) full scale exercise and four (4) drills be conducted annually. The planning, equipment and personnel (overtime) requirements are significant, especially since other safety exercises related to port operations are still needed. The call for interoperability has alerted many responding agencies (62nd WMD CST, ATF, NOPD/SWAT, etc.) to the fact that they know very little about the maritime community, particularly the Mississippi River and the Industrial Canal. Many of these agencies have no experience boarding or searching a cargo or passenger vessel. The Port Safety and Security Division is often called upon to host, coordinate and participate in training for these agencies. In no instance has the Port been financially supplemented for these endeavors, yet there are costs associated with each request. An internal tabletop exercise limited to port employees, private security, and U.S. Coast Guard observers will cost approximately \$2000.00 in administration, supplies, accommodations, and participant salaries. A full scale exercise involving outside responding agencies, industry and port staff could triple in cost.

Finally, domestic terrorism, such as the World Trade Center incidents and the Oklahoma Federal Building bombing, proves that being reactive to terrorism, from any source, comes at an immeasurable cost - loss of lives. Government must respond to the funding needs identified by port authorities commensurate with that if the nation's alert level - Elevated - Yellow "Significant Threat of Terrorist Activity" as though it is real and not merely an innocuous memorial of a one-time terrorist incident in our nation's past. The only way to do that is to create and fund proactive prevention and response initiatives. To do less will create frustration among law enforcement agencies, a continued vulnerability of critical assets, and perhaps worst of all, a false sense of security or a renewed atmosphere of complacency among the people. All of which, would contribute to another opportunity for history to repeat itself - countless Americans dead, and yet another date to live in infamy.